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Requirements for Grain Dealers

State of Louisiana

Prompt Payment

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Requirements for Grain Dealers

STATE OF LOUISIANA

Current with legislation from the 2013 Reg.Sess.

LSA-R.S. 3:3414.1 **§ 3414.1. Prompt payment**

Each grain dealer who purchases grain from producers under a spot price or daily market contract shall pay the producer for the grain within ten working days after the day the grain is delivered pursuant to the contract of sale.

LSA-R.S. 3:3414.2 **§ 3414.2. Prompt payment for rice**

- A. The provisions of this Section shall apply to each transaction in which a purchaser buys rice from a producer under a bid contract.
- B. As used in this Section, the following terms shall have the following meanings ascribed to them:
- (1) “Bid contract” means an agreement between a producer and a purchaser under which the purchaser examines samples of rice and extends to the producer an offer to purchase the rice at a price based on the quality of the sample.
 - (2) “Confirmation date” means the date on which the bid contract was confirmed.
 - (3) “Confirmed” means the bid contract has been agreed to. A bid contract is confirmed when the producer and the purchaser agree to the quantity and price of the rice to be sold.
 - (4) “Delivery date” means the date on which the purchaser is required to take delivery of the rice, either under the provisions of this Section or under the provisions of a written agreement between the producer and the purchaser.
 - (5) “Person” means any individual, partnership, corporation, association, or other legal entity.
 - (6) “Purchaser” means any person who purchases rice from a producer under a bid contract.
- C. Each purchaser shall take possession of the rice which is the subject of the bid contract no later than the fourteenth calendar day after the confirmation date unless the producer and the purchaser agree in writing that the purchaser shall take possession of the rice on a different delivery date.
- D. If the purchaser does not take possession of the rice on or before any delivery date, the purchaser shall pay all storage and related charges for the storage of the rice after each delivery date, with such time not to exceed thirty days following each such delivery date.
- E. After the thirtieth day following any delivery date, if the purchaser has not taken possession of the rice, the producer shall have the option to either continue to hold the rice for delivery to the purchaser, deliver the rice to another purchaser, or amend the original bid contract by mutual written consent.
- F. Each purchaser shall pay for the rice purchased from each producer under a bid contract no later than the tenth calendar day after the purchaser takes possession of the rice or receives accurate

distribution instructions from the seller, whichever is later.

G. If the purchaser does not make payment as required in Subsection F, the purchaser shall pay the producer interest on the purchase price at the legal rate of interest as established in R.S. 9:3500.

H. Any grain dealer acting solely as a commissioned agent for the producer in a bid contract transaction shall not be considered a purchaser or a producer in a bid contract where the actual purchasing grain dealer does not take possession of the rice.

LSA-R.S. 3:3414.4

§ 3414.4. Prompt payment for cotton; suit on bond; private action; attorney fees

A. Any cotton merchant or cotton agent who purchases cotton from a producer shall pay the producer for the cotton within ten working days after the day the cotton is delivered, or pursuant to the contract of sale.

B. Any producer from whom cotton was purchased or contracted to be purchased and to whom money is due for cotton sold for future delivery as a result of the nonperformance of the cotton merchant or cotton agent shall have recourse on the bond or alternate security required to be furnished by this Chapter to the extent of the loss suffered by the producer, but such recovery against the bonding company or alternate security shall not exceed the amount of the bond or the alternate security. Limitation of liability as to the bonding company or alternate security shall not restrict suits against the cotton merchant or cotton agent for losses incurred in excess of the amount of the bond or alternate security. Suit may be brought in any parish where the crop or any part thereof was grown or any other venue authorized by law. One or more recoveries upon such bond or alternate security shall not vitiate same, but no recovery nor the aggregate of multiple recoveries upon such bond or alternate security shall ever exceed the full amount thereof. Upon suits being filed in excess of the amount of the bond or alternate security, the commission may require a new bond or other security in an amount sufficient to secure the aggregate amount of such suits, and if such additional security is not given within thirty days of demand therefor, the commission may cancel the license of the cotton merchant. In the case of the insolvency of a cotton merchant, any cotton producer or cotton landowner having contracts for future delivery shall be entitled to participate in the bond or alternate security funds to the extent of his pro rata losses under his contract.

C. Should the bond or alternate security proceeds be insufficient to satisfy all claims in full, any producer who has received only partial satisfaction shall retain all other rights possessed under the law without prejudice.

D. The commission may bring an action on the bond on behalf of the cotton producers or cotton landowners in any court of competent jurisdiction.